

Lieutenant Governor

State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 8, 2008

Mr. Alfred Mueller, Manager PABCO dba Interstate Brick Company 37849 Cherry Street Newark, California 94560-4348

Subject: Escalation of Reclamation Surety to the Year 2013 PABCO dba Interstate Brick Company,

Fivemile Pass, M0450006, Tooele County, Utah

Dear Mr. Mueller:

The Division has escalated the surety amount of \$123,100.00 in 2008 dollars, to the year 2013. The escalation rate is 3.8%, resulting in a surety requirement of \$148,335.00. This increased amount is based on escalation only.

Please contact surety coordinator, Mr. Jed Pearson, 801-538-5382, for instructions on how to submit this increased amount of \$25,235.00. *In addition, a new reclamation contract will be required.*

This surety amount and new reclamation contract is due by July 15, 2008.

In addition, the Division would like to meet with you and determine if the existing Notice of Intention to Conduct Mining Operations (NOI) is adequate and reflects the current operation conditions at the Fivemile Pass site. Please contact Ms. Beth Ericksen (801) 538-5318 or Ms. Leslie Heppler (801) 538-5257 to arrange the meeting by June 30, 2008.

If you have any questions concerning this letter, please contact either of the above named staff.

Sincerely,

Susan M. White Mining Coordinator

Minerals Regulatory Program

SMW:BE:pb Cc: Jed Pearson

c: Jed Pearson

Beth Ericksen

Leslie Heppler

ohn Hewitt, john.hewitt@paccoast.com, and INTERSTATE BRICK COMPANY 9780 S 5200 W

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